

Message Text

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TAGS: ENRG, NI
SUBJECT: NIGERIAN PRESS COMMENT ON OPEC PRICE INCREASE

1. PRESS DISCUSSION OF OPEC PRICE DECISION HAS BEEN MODERATE
IF NOT LISTLESS IN TONE, ALTHOUGH DECEMBER 22 NIGERIAN TRIBUNE
(KWARA STATE) RAN TAME REPORT ON PRESS CONFERENCE BY COMMISSIONER
OF PETROLEUM RESOURCES BUHARI UNDER BANNER HEADLINE QUOTE PLOT
AGAINST OPEC, BUHARI EXPOSES ENEMIES UNQUOTE. BOTH DAILY TIMES
AND NEW NIGERIAN DECEMBER 22 DEVOTED MINOR FRONT PAGE SPACE TO
BUHARI'S ASSURANCE THAT LOCAL FUEL PRICES WOULD NOT RISE,
AND ON BACK PAGES REPORTED REASON NIGERIA SUPPORTED INCREASE
(IMPORTED INFLATION) AND OPEC AID TO DEVELOPING COUNTRIES.

2. DAILY TIMES DEC. 18 CONFINED REPORT OF SPLIT ON PRICE TO COUPLE
OF INCHES ON BACK PAGE. IN EDITORIAL APPARENTLY WRITTEN BEFORE
DECISION ANNOUNCED, TIMES FOCUSED ON CHARGES THAT INDUSTRIALIZED
COUNTRIES, INCLUDING US, JAPAN, AND MEMBERS OF EEC, HAVE QUOTE
MISCHIEVOUSLY BLAMED UNQUOTE THEIR ECONOMIC SETBACKS ON OPEC
PRICE POLICIES, AND THAT US ON INITIATIVE OF SECRETARY KISSINGER
QUOTE ESTABLISHED CABAL OF HIGHLY INDUSTRIALIZED COUNTRIES
TO FORM INTERNATIONAL ENERGY AGENCY WHOSE MAJOR PRE-OCCUPATION
IS TO NEUTRALIZE BARGAINING POWER OF OPEC UNQUOTE. ALLOWING
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THAT OIL PRICES AND INFLATION MAY BE LINKED IN VICIOUS SIPRAL,
THIRD WORLD LOOKED TO CIEC TO WORK OUT NEW ECONOMIC ORDER
CALLED FOR BY UN TO BREAK THIS SPIRAL. DCS STALLING PROGRESS
AT CIEC. IT FUTILE FOR DCS TO TRY TO MAKE OPEC SCAPEGOAT
FOR WHAT IS WRONG WITH PRESENT INTERNATIONAL ECONOMIC
SITUATION. IN INTERDEPENDENT WORLD, OPEC MEMBERS JUSTIFIED

IN DEMANDING JUST PRICE FOR THEIR MOST VALUABLE RESOURCE.

3. IN INTERESTING EDITORIAL DECEMBER 20, NIGERIAN TRIBUNE TOOK MUCH SAME POSITION AS IN 1975 OPPOSING PRICE INCREASE. IF OPEC UNABLE TO ACHIEVE OBJECTIVE OF MAINTAINING COMMON PRICE POLICY, REASON FOR EXISTENCE IN QUESTION. PRICE SPLIT NOT UNEXPECTED SINCE AFTER 1975 VIENNA INCREASE VARIOUS COUNTRIES HAD BEGUN DISCOUNTING AND BARTER DEALS WITH SOVIET UNION, AND BY TIME OF DOHA MEETING WERE SELLING THEIR CRUDES FOR BEST PRICE EACH COULD GET IN WORLD MARKET. EDITORIAL SAID IT UNFORTUNATE IN VIEW OF TRIBUNE THAT NIGERIA JOINED MAJORITY OPTING FOR 10 PERCENT INCREASE. SUCH A STAND NOT IN NIGERIA'S OWN INTEREST, AND IN ANY EVENT SINCE TWO MEMBERS DECIDED TO INCREASE PRICE BY ONLY FIVE PERCENT IT IMPOSSIBLE TO MAINTAIN, GIVEN WORKING NATURAL MARKET FORCES. HIGH QUALITY OF NIGERIAN CRUDE CANNOT MAKE UP FOR FIVE PERCENT DIFFERENCE IN PRICE, AND NIGERIA CANNOT BLAME CUSTOMERS WHO REDUCE PURCHASES. FMG CANNOT AFFORD REVENUE LOSSES AND SHOULD PUBLICLY STATE IT INTENDS SELL NIGERIAN CRUDE AT COMPETITIVE PRICE REGARDLESS OF OPEC.

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